



After two years of research and development, the Bureau of TennCare has initiated a major outcomes-based quality improvement and intervention project to better evaluate health management practices within the TennCare Pharmacy Carve-Out Program. This new "TennCare Centers of Excellence Program," seeks to better serve the needs of the 1.4 million individuals who are eligible for care under the Tennessee managed care Medicaid program by improving the quality of care and promoting efficient use of resources.

The Centers of Excellence initiative will formally launch with a meeting on August 28, 2001. The purpose of this meeting is to give an overview of the program and secure sponsorship from participating partners. The first output from the program will be the release of a comprehensive "State of Quality Report" in September of this year. The report findings will be used by Tennessee-based physicians and other leading clinicians and thought-leaders within the state to prioritize the key disease states that could benefit from the implementation of evidence-based education and intervention programs. With a goal of improving the quality of healthcare for TennCare enrollees, at least two major disease-based Centers of Excellence will be launched before the end of this year. Results from this important education and research project are expected to improve the care of TennCare patients and yield additional data to warrant expansion of the program to additional disease states in the future.

One motivating factor leading to the implementation of this program has been the dramatic increase in both the utilization and costs of pharmaceuticals that the program has experienced over the last year. TennCare's Pharmacy Carve-Out Program, which provides behavioral health pharmacy benefits for all 1.4 million TennCare enrollees and drug benefits for over 200,000 dual eligible patients, account for over \$60 million per month in prescription costs. In order to better evaluate these and other healthcare trends, TennCare is committed to implement the Centers of Excellence program to promote the efficient use of TennCare resources while simultaneously improving the quality of care for TennCare enrollees.

To help achieve these goals, TennCare has partnered with Applied Health Outcomes, a division of Navigant Consulting. Applied Health Outcomes is a well established healthcare consulting firm and outcomes research company with a national track record for measuring clinical and economic outcomes and developing effective strategies to improve quality of care. Along with TennCare staff, Applied Health Outcomes will work with leading physicians and other thought-leaders from Tennessee to design, develop and implement the Centers of Excellence Program.

Since the program is not funded by the State of Tennessee, Applied Health Outcomes will work with several funding sources to implement the project. Additional information regarding the program, including opportunities for your participation are enclosed. **We hope you can attend the Centers of Excellence Launch Meeting on August 28, 2001 at Loews Vanderbilt, Nashville. The meeting will be held from 12:00 noon until 3:00 pm. Please RSVP before August 22, 2001, by calling Laurie Otis at 1-800-320-6497. Thank you.**

Sincerely,

Leo Sullivan  
Director of Pharmacy Services, TennCare